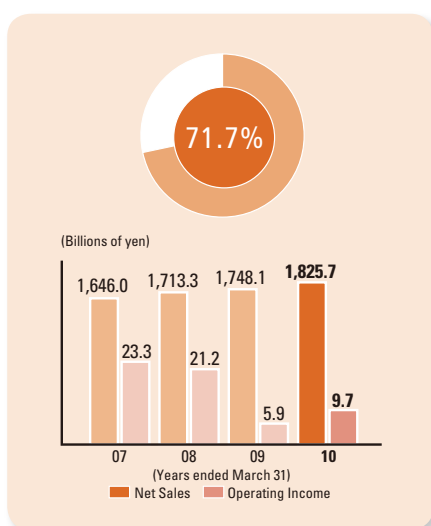


MEDIPAL at a Glance

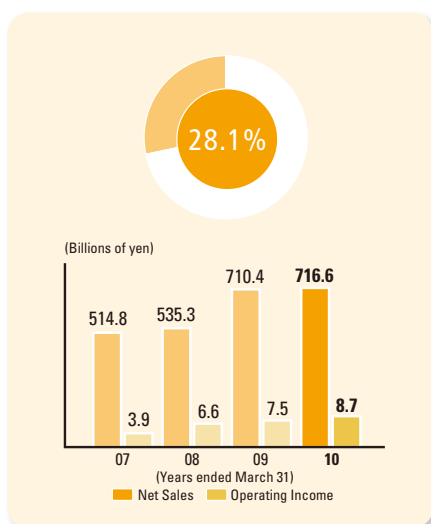
- ◆ MEDIPAL is Japan's first multi-channel wholesaler covering prescription pharmaceuticals, over-the-counter pharmaceuticals, cosmetics and other products.
- ◆ Healthcare system reform, separation of prescription and dispensing and the trend toward self-medication have increased MEDIPAL's importance as an intermediary between dispensing pharmacies and prescribers.
- ◆ MEDIPAL's customer-oriented approach based on national scale and sophisticated information technologies helps customers and suppliers manage inventories efficiently and lower costs.



Prescription Pharmaceutical Wholesale Business

Wholesale distribution of prescription pharmaceuticals, medical equipment, etc.

- ◆ Net sales of the Prescription Pharmaceutical Wholesale Business totaled ¥1,825,740 million (a 4.4 percent increase compared with the previous fiscal year).
- ◆ The Company shifted to a pure holding company structure through a corporate separation and changed its corporate name to MEDIPAL HOLDINGS CORPORATION. At the same time, the Company transferred its operating functions to its wholly owned subsidiary KURAYA SANSEIDO Inc., which merged with five other subsidiaries in the prescription pharmaceutical wholesale business and changed its corporate name to MEDICEO CORPORATION.
- ◆ Business innovations such as the Kanagawa Area Logistics Center (ALC) help to maximize distribution efficiency and customer satisfaction. MEDIPAL is also implementing initiatives to reduce costs, create greater value for customers and raise productivity throughout the Group.



Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business

Wholesale distribution of cosmetics, daily necessities, soap, detergents, over-the-counter pharmaceuticals, etc.

- ◆ Net sales of the Cosmetics, Daily Necessities and OTC Pharmaceutical Wholesale Business were ¥716,607 million (a 0.9 percent increase compared with the previous fiscal year).
- ◆ Paltac Corporation was listed on the first sections of the Tokyo Stock Exchange and the Osaka Securities Exchange on March 18, 2010.
- ◆ Paltac Corporation is aiming to raise productivity throughout the supply chain. Other objectives include upgrading logistics functions and in-store support services that help reduce costs for retailers.